

BEST NEWSLETTER

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BEST Homepage: www.afpc.randolph.af.mil/dpc/best/menu.htm

EBIS: www.afpc.randolph.af.mil/dpc/BEST_GRB/EBIS.htm

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Inside this Issue

Page 1 TSP Open Season 15 Apr – 30 Jun 05	Page 3 March 2005 TSP Participant Statement Available New Address for TSP Loan Payments
Page 2 Added TSP Feature in EBIS Who is Eligible to Contribute to TSP?	Page 3 (cont) FSA Use or Lose Deadline 30 Apr 05 Calendar of Events

Thrift Savings Plan (TSP) Open Season 15 Apr – 30 Jun 05

TSP offers Federal employees a means to increase their future retirement benefits and to defer paying current income taxes on their contributions and earnings. The sooner you begin contributing to TSP, the more you stand to gain. Your money makes money in the form of earnings, and those earnings in turn make money. This is known as the “miracle of compounding.”

Employees covered under the Federal Employees Retirement System (FERS) and the Civil Service Retirement System (CSRS) are eligible to start or increase contributions to the TSP during this open season. FERS employees may contribute up to 15 percent of basic pay and CSRS employees may contribute up to 10 percent, same as the last open season, subject to the IRS annual limit of \$14,000 for 2005. Elections made 15 Apr – 11 Jun will be effective 12 Jun. Elections made 12 – 30 Jun will be effective at the beginning of the next pay period after the election is made.

Air Force-serviced employees will use the BEST Employee Benefits Information System (EBIS) web application or the BEST automated phone system to make contribution elections. Web link and phone numbers are at the top of this newsletter.

FERS employees who make more than \$93,333 need to ensure their contributions will not exceed the annual IRS limit of \$14,000 before the year ends in order to avoid loss of agency matching contributions.

Remember to check the Leave and Earnings Statement (LES) that applies to the pay period your election is effective to ensure your election is properly reflected. If not, call and speak with a BEST benefits counselor right away.

Public Law 108-469, signed into law 21 Dec 04, eliminates open seasons. The Federal Retirement Thrift Investment Board is implementing this law effective 1 Jul 05, so beginning on that date eligible employees may start, change, stop, or resume contributions at any time. Elections will become effective at the beginning of the pay period following the one in which submitted. Employees who make financial hardship in-service withdrawals may not contribute to their account for 6 months following the withdrawal. Newly hired FERS employees (and rehired FERS employees not previously eligible) must still serve the waiting period before they are eligible to receive agency contributions. Additional information on the effect of elimination of TSP open seasons will be provided in our Jun 05 newsletter.

You'll make contribution allocations (how your money is invested in the funds) directly with TSP via "Account Access" on the TSP web site at www.tsp.gov, or the ThriftLine (1-877-968-3778 for employees in the 50 United States, Virgin Islands, Puerto Rico, Guam, American Samoa, and Canada; 1-504-255-8777 for employees elsewhere).

The new Lifecycle investment funds are expected to be available in the summer of 2005. Specific details will be provided when they become available. In the meantime, view some general questions and answers and a leaflet on the TSP web site at www.tsp.gov/curinfo/specint/index.html.

[Top of Document](#)

THRIFT SAVINGS PLAN

Added TSP Feature in the Employee Benefit Information System (EBIS)

Civilian employees can now pull their TSP account balances directly from the TSP website into the EBIS web application. This information is used to populate TSP data in the Personal Statement of Benefits, in projecting TSP account balances, and is used to calculate TSP annuities within the EBIS application. The web link to EBIS is www.afpc.randolph.af.mil/dpc/BEST_GRB/EBIS.htm.

To pull the TSP account balance directly from the TSP website, once you are in the EBIS application you will click the "My Profile" icon and then the "Enter My TSP Account Balance" icon. When the next page appears, click the "Retrieve TSP Data" button. Enter your TSP PIN when prompted and click the Continue button. It may take one to two minutes to pull in the information. Once the TSP account balance data is retrieved, you'll then need to enter your contribution allocation percentages for each fund and click the "Update TSP Data" button. (Contribution allocation percentages are not retrieved.)

If you encounter any problems in EBIS with retrieval of your account information, please contact a BEST benefits counselor for assistance, not the TSP.

[Top of Document](#)

Who is Eligible to Contribute to the Thrift Savings Plan (TSP)?

Employees who are covered by the Federal Employees' Retirement System (FERS) and the Civil Service Retirement System (CSRS), including CSRS-Offset, are eligible to contribute to the Thrift Savings Plan. If you are covered by FERS or CSRS, you can participate in TSP regardless of whether you work full time or part time. If you do not know your retirement coverage, you can find it in block 30 of your most recent SF 50 (Notification of Personnel Action). You can also look in the Deductions block of your current Leave and Earnings Statement, and one of the types of deductions will say "Retire, CSRS" or "Retire, FERS".

CSRS and FERS employees who fall into one of the following groups may also contribute to TSP:

- Individuals on approved leave without pay to serve as full-time officers or employees of certain unions or other employee organizations
- Individuals assigned from a Federal agency to a state or local government under an Intergovernmental Personnel Act assignment who choose to retain FERS or CSRS coverage
- Individuals appointed or otherwise assigned to one of the Cooperative Extension Services, as defined by the National Agricultural Research, Extension, and Teaching Policy Act of 1977
- Federal justice and judges, certain Federal bankruptcy judges and magistrate judges, Claims Court judges, and Court of Veteran Appeals judges
- Nonappropriated Fund employees of the Defense Department or the U.S. Coast Guard who have chosen to be covered by FERS or CSRS

Members of these groups generally participate under the rules for either FERS or CSRS employees.

If you need assistance determining whether you are eligible to contribute to TSP, please contact a BEST benefits counselor for assistance if you are an Air Force-serviced civilian employee.

[Top of Document](#)

THRIFT SAVINGS PLAN FLEXIBLE SPENDING ACCOUNTS

March 2005 TSP Participant Statement Now Available

You can now view and print your TSP participant statement for the first quarter of calendar year 2005 from the TSP web site at www.tsp.gov, under Account Access. The statement covers the period January 1 through March 31, 2005. If you don't have access to the web, you can also request the statement via the TSP ThriftLine (1-877-968-3778 for employees located in the 50 United States, Virgin Islands, Puerto Rico, Guam, American Samoa, and Canada; 1-504-255-877 for all other callers). Press 1 for the account information menu, then select option 8 when prompted.

[Top of Document](#)

New Address for TSP Loan Payments

Many of you with TSP loans are making extra payments in order to pay the loan off faster. (These voluntary payments are in addition to your scheduled payroll allotments.)

All TSP loan payments that you make personally by check or money order must now be sent to the Thrift Savings Plan's new processing center at the following address:

Thrift Savings Plan
P.O. Box 9004
St. Louis MO 63197-9004

Be sure to include a Loan Payment Coupon with each payment and write your Social Security number and TSP loan number on your check. The Loan Payment Coupon can be obtained from the TSP web site at <http://www.tsp.gov/forms/tsplf17.pdf>.

[Top of Document](#)

Flexible Spending Account (FSA) "Use or Lose" Deadline 30 Apr 05

If you participated in the FSA program during the 2004 plan year, you have until 30 Apr 05 to submit claims for health care and dependent care expenses incurred during the plan year for reimbursement. An exception to the "incurred in 2004" rule is made for expenses that are sometimes prepaid, such as payment for child care made in December for care in the month of January. After 30 Apr 05, any funds remaining in your Health Care and/or Dependent Care FSA will be forfeited. Remember, over-the-counter medicines are also eligible for reimbursement. For additional information, visit the FSAFEDS website at <https://www.fsafeds.com/fsafeds/index.asp>.

[Top of Document](#)

Calendar of Events

TSP Open Season 15 Apr - 30 Jun 05

TSP Open Seasons Eliminated Effective 1 Jul 05

New TSP Lifecycle Funds Expected to be Available Mid-Year

FEHB Open Season 14 Nov - 12 Dec 05

FSA Open Season 14 Nov - 12 Dec 05

[Top of Document](#)